

CHAPTER 16

SUPPLEMENTAL HEALTH CARE PROGRAM FOR ACTIVE DUTY MEMBERS

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CHAPTER 16
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A. Purpose and applicability.

1. The purpose of this chapter is to implement, with respect to certain hospital services provided under the supplemental health care program for active duty members of the uniformed services, the provision of 10 U.S.C. 1074(c). This statute authorizes DoD to establish for the supplemental care program the same payment rules, subject to appropriate modifications, as apply under CHAMPUS.

2. This chapter applies to the program, known as the supplemental care program, which provides for the payment by the uniformed services to private sector health care providers for health care services provided to active duty members of the uniformed services. Although not part of CHAMPUS, the supplemental care program is similar to CHAMPUS in that it is a program for the uniformed services to purchase civilian health care services for active duty members. For this reason, the Director, OCHAMPUS, assists the uniformed services in the administration of the supplemental care program.

3. This chapter applies to inpatient hospital services covered by the CHAMPUS DRG-based payment system.

B. Obligation of hospitals concerning payment for supplemental health care for active duty members. For a hospital covered by the CHAMPUS DRG-based payment system to maintain its status as an authorized provider for CHAMPUS pursuant to Chapter 6, that hospital must also be a participating provider for purposes of the supplemental care program. As a participating provider, each hospital must accept the DRG-based payment system amount determined pursuant to this chapter as payment in full for the hospital services covered by the system. The failure of any hospital to comply with this obligation subjects that hospital to exclusion as a CHAMPUS-authorized provider.

C. General rule for payment and administration Subject to the special rules and procedures in Section D. of this chapter, and the waiver authority in Section E. of this chapter, as a general rule the provisions of subsection A1. of Chapter 14 shall govern payment and administration of claims from hospitals covered by the CHAMPUS DRG-based payment system under the supplemental care program as they do claims under CHAMPUS. To the extent necessary to interpret or implement the provisions of subsection A1. of Chapter 14, related provisions of DoD 6010.8-R shall also be applicable.

D. Special rules and procedures. As exceptions to the general rule in Section C. of this chapter, the special rules and procedures in this section shall govern payment and administration of claims from hospitals covered by the CHAMPUS DRG-based payment system under the supplemental care program. These special rules and procedures are subject to the waiver authority of Section E. of this chapter.

1. There is no patient cost sharing under the supplemental care program. All amounts due to be paid to the provider shall be paid by the program.

2. **Preauthorization** by the uniformed services of each hospital admission, except for an **emergency** inpatient admission (the definition in Chapter 2 shall apply), is required for the supplemental care program. It is the responsibility of the active duty member to obtain **preauthorization** for each admission. With respect to each emergency inpatient admission, after such time as the emergency condition is addressed, authorization for any proposed continued stay must be obtained within two working days of admission.

3. With respect to the filing of claims and similar administrative matters under the CHAMPUS **DRG-based** payment system for which DoD 6010.8-R refers to activities of the CHAMPUS fiscal intermediaries, for purposes of the supplemental care program, responsibilities for claims processing, payment and some other administrative matters will be assigned to the nearest military medical treatment facility or medical claims office.

4. The annual cost **pass-throughs** for capital and direct medical education costs that are available under the CHAMPUS **DRG-based** payment system are also available, upon request, under the supplemental care program. To obtain payment include the number of active duty bed days as a separate line item on the annual request to the CHAMPUS fiscal intermediaries. The fiscal intermediaries will process the requests on behalf of the supplemental care program. However, payment will be issued by the Department of Defense.

E. Waiver authority. With the exception of statutory requirements, any **restrictions** or limitation pursuant to the general rule in Section C. and special rules and "procedures in Section D. may be waived by an authorized official of the uniformed service concerned based on a determination that such waiver is necessary to assure adequate availability of health care services to active duty members.

F. Authorities.

1. The Uniformed Services may establish additional procedures, consistent with this chapter, for the effective administration of the supplemental care program in their respective services.

2. The Assistant Secretary of Defense for Health Affairs is responsible for the overall policy direction of the supplemental care program and the administration of this chapter.